

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113
TUESDAY, JULY 13, 2004
8:00 A.M.**

Commissioners Present: Ray Stevens, Chair
Larry Hudkins, Vice Chair
Bernie Heier
Bob Workman
Deb Schorr

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Trish Owen, Chief Deputy County Clerk
Ann Taylor, County Clerk's Office

The Chair opened the meeting at 8:00 a.m.

AGENDA ITEM

**1 APPROVAL OF THE STAFF MEETING MINUTES OF THURSDAY,
JULY 8, 2004**

MOTION: Heier moved and Workman seconded approval of the Staff Meeting minutes of July 8, 2004. Heier, Workman and Stevens voted aye. Hudkins and Schorr were absent from voting. Motion carried.

2 ADDITIONS TO THE AGENDA

A. Lincoln-Lancaster County Health Department Expansion

MOTION: Heier moved and Workman seconded approval of the addition to the agenda. Workman, Heier and Stevens voted aye. Hudkins and Schorr were absent from voting. Motion carried.

**3 PENDING LITIGATION - Mike Thew, Chief Deputy County Attorney;
Kristy Mundt, Deputy County Attorney**

MOTION: Workman moved and Heier seconded to enter Executive Session at 8:01 a.m. for discussion of pending litigation. Heier, Workman and Stevens voted aye. Hudkins and Schorr were absent from voting. Motion carried.

Hudkins arrived at 8:05 a.m.

MOTION: Workman moved and Heier seconded to exit Executive Session at 8:23 a.m. Workman, Stevens, Heier and Hudkins voted aye. Schorr was absent from voting. Motion carried.

4 BUDGET WORKING SESSION - Dave Kroeker, Budget & Fiscal Officer

Dave Kroeker, Budget & Fiscal Officer, presented budget summaries, with current year obligations (Exhibit A). He also presented the following documents (Exhibits B & C):

- Lancaster County Year End Fund Balances From Budgets
- FY05 Valuations & Tax Rates
- Lancaster County, Comparison FY05 to FY04 Expense Budget
- Personal Service Costs
- Group Health Costs

Discussion took place regarding insurance benefits for part-time employees. Board members expressed concern that changing the benefits would have a negative impact on Lancaster Manor (majority of part-time employees are employed at the Manor); would require negotiation of the American Federation of State, County & Municipal Employees (AFSCME) labor contract; and that hiring temporary employees would be more costly.

Schorr arrived at 8:44 a.m.

- Lancaster County Comparison FY05 to FY04 Revenue Budget
- General Fund (G.F.) Miscellaneous, General Government (612)
- General Fund (G.F.) Miscellaneous, Justice System (628)
- General Fund (G.F.) Miscellaneous, Health & Human Services (805)
- A legal opinion regarding the County's obligation to fund developmental disability service providers
- Keno Fund, FY04 Budget & Expenditures & FY05 Proposed
- County Resolution No. 5134 (In the Matter of Setting Policies and Procedures for Distribution of Keno Funds)
- Nebraska Revised Statutes § 9-629 (Gross proceeds; use; audit and legal expenses, defined) and 9-604 (Community betterment purposes, defined)
- Lancaster County, FY05 Budget Summary Keno Fund
- Lancaster County, Keno Collections
- Nebraska Department of Economic Development, Community Development Block Grant Program, Program Income Report for Economic Development Revolving Loan Funds for the Period Ending December, 31, 2003

- A memorandum from Don Thomas, County Engineer, regarding a summary of costs incurred for improvements near Kawasaki Motors

Board consensus was to pay the County Engineer \$66,000 out of economic development and reduce the General Fund transfer to his budget by that amount.

- Information regarding health insurance for part-time employees

Don Thomas, County Engineer, appeared and gave an overview of the following (Exhibits D & E):

- Highway Fund, Budget Worksheet Fiscal Year 2005
- Highway Personnel FY2005 Budget
- Bridge Fund, Budget Worksheet Fiscal Year 2005
- Bridge Personnel FY2005 Budget

Thomas requested support of a 2% gas tax increase to offset reliance on property tax.

Hudkins suggested that the Board make the gas tax increase a legislative priority.

Heier noted the recent destruction of a County Engineer building in Hallam during a tornado and said it has been suggested that the County consider selling the site to the town and moving its equipment to a proposed fire department building.

Thomas said he would prefer to rebuild on the current site.

In response to a question from Stevens, Thomas said he supports the Sidewalk, Roads and Trails Committee's (SRT's) recommendation to implement the Rural-to-Urban Transition Streets (RUTS) plan and said an interlocal agreement will be developed to establish the framework for a joint entity and parameters.

Brief discussion took place regarding a memorandum from Doug Thomas, Information Services (IS) Director, regarding how the City has distributed IS costs to individual budgets (Exhibit F).

General discussion of the budget with the following suggestions:

- Eliminate funding of the Adult and Juvenile Drug Courts
- Reduce or eliminate funding of developmental disabilities
- Across the board reductions of 10% to 15%
- Reduce the budgets of agencies that have increases of over a quarter of a million dollars by \$50,000, or as an alternative, reduce those budgets by 1%: County Treasurer (603); County Assessor (605); Election Commissioner (607); G.F.

General Government (612); Juvenile Court (623); County Sheriff (651); County Attorney (652); Corrections (671); Community Corrections (676); Attention Center (678); Emergency Management (693); General Assistance (801); and G.F. Health & Human Services (805)

- Reduce the budgets of agencies that have budgets over \$5 million by \$75,000 to \$100,000: Mental Health (63); G.F. General Government (612); County Sheriff (651); Corrections (671)
- Reduce the following fund budgets by \$50,000, or as an alternative, reduce those budgets by 1%: Other Self Insurance (13); Bridge & Special Road (21); Building Fund (51); and Mental Health (63)
- Transfer up to \$700,000 from the Keno Fund to reduce property tax requirement

Lauren Wismer, Gilmore & Bell PC, and Scott Keene, Ameritas Investment Corporation, appeared and gave an update on the status of the bonds. **NOTE:** The County authorized issuance of limited tax building bonds (a principal amount not to exceed \$5 million) and identified the following projects: 1) Acquiring the Community Blood Bank Building at 2966 "O" Street and renovating, remodeling, repairing and improving the same to provide mental health services facilities to the County; 2) Renovating, remodeling, repairing and improving the former juvenile detention facility at 2220 South 10th Street, for lease to CenterPointe, Inc.; 3) Constructing, acquiring, equipping and furnishing vehicle storage facilities for use by the County Sheriff and Emergency Management personnel; 4) Upgrading the property tax and recording system currently used by the County Assessor/Register of Deeds; and 5) Upgrading the security system currently used by Corrections at 605 South 10th Street (See County Resolution R-04-0080).

Workman said the Board has discussed delaying some of the projects in order to cover principal and interest payments during the fiscal year.

Wismer said proceeds should go for the purposes for which the obligations were issued. He said if there is a project that the County elects not to do, it would be appropriate to take the proceeds allocable to that project and use it to pay off the bonds allocable to that project. Wismer said taking proceeds that are generally allocable to the bonds across the board and using them for principal and interest on the bonds raises tax and proceeds issues.

Stevens said three of the projects have not been specifically approved by the Board and expressed concern that the Board is taking advantage of low interest rates and loading up on principal and interest payments.

Heier asked whether the County could sell the former juvenile detention facility after the project is completed and pay off the bonds.

Wismer said there is an expectation that the County will own and operate the project over the life of the issue. He said the tax code provides exceptions, but there are restrictions on use of the proceeds.

ADDITIONS TO THE AGENDA

A. Lincoln-Lancaster County Health Department Expansion

Don Herz, City Finance Director, appeared at the request of the Board, and presented Health Department Building Financing Analysis (15-Sep-03) (Exhibit G).

Discussion took place regarding distribution of savings in rent and indirect costs from federal grants.

NOTE: Hertz later provided the Board with a memorandum indicating that the Health Department will be able to provide a contribution of \$230,000, beginning the fiscal year that debt service is to begin, and that the contribution will be equally split by the City and County to pay debt service. Savings will continue to be split on a 50/50 basis as long as there is any outstanding debt remaining (Exhibit H).

RETURNING TO BUDGET WORKING SESSION

Gary Lacey, County Attorney, appeared to discuss the request for a budget reduction of \$50,000 and said he would eliminate prosecution of bad checks and one of the attorneys assigned to the federal court. He recommended that the Board also consider: 1) Budget reductions for the Public Defender and Joint Budget Committee (JBC) funded agencies; and 2) Elimination of the Indigent Screener Program and the Child Support Referee.

Dean Settle, Community Mental Health Center Director, appeared and said one of the contributing factors for his budget increase was the Board's approval of a single point-of-entry for Emergency Protective Custody (EPC), which he said saved the County over \$1 million in payments to Bryan/LGH Health System.

The Board asked Settle to reduce his budget by \$50,000 to \$100,000.

Settle said he anticipates additional revenues through behavioral health reform, grants and the sale of the Adams Street Center property. He agreed to discuss how to best reduce the budget with his Management Team and will report back to the Board.

Additional suggestions included:

- Reduce the tax request for the Building Fund by \$200,000 in anticipation of the sale of the Adams Street Center
- Reduce the Debt Service Fund by \$50,000
- Ask agencies to hold capital purchases
- Reduce General Assistance (GA) by \$100,000

MOTION: Heier moved and Hudkins seconded to recess the meeting at 12:00 p.m. and to reconvene immediately following the 1:30 p.m. Board of Commissioners and Board of Equalization Meetings. Schorr, Workman, Stevens, Heier and Hudkins voted aye. Motion carried.

The Chair reconvened the meeting at 2:20 p.m.

Terry Wagner, Lancaster County Sheriff; and Bill Jarrett, Chief Deputy Sheriff, appeared to discuss their department's budget. The Board asked for a reduction of \$100,000.

Jarrett said the department's complement is short three officers, due to military deployments. He said these positions were included in the budget and said approximately \$100,000 could be cut from the budget by not filling those vacancies (see Exhibit I).

Heier suggested that the Board count \$200,000 in anticipated reimbursement from Federal Emergency Management Agency (FEMA) as revenue.

Terry Adams, Deputy County Treasurer, appeared and agreed to reduce the budget by \$50,000 but said there will likely be an impact to service.

Scott Gaines, Chief Administrative Deputy Assessor/Register of Deeds, and Rob Ogden, Chief Field Deputy Assessor/Register of Deeds, appeared to discuss their department's budget. They were asked for a reduction of \$50,000 and said they could reduce the budget by \$35,000, identifying vehicles, overtime, temporary salaries, and preparation and appearance at Tax Equalization and Review Commission (TERC) hearings as possible areas of reduction.

Heier suggest that they look at reducing the Geographic Information System (GIS) budget or delaying projects.

The Board scheduled discussion of the following budgets at the July 15, 2004 Staff Meeting: Election Commissioner, Juvenile Court, Community Corrections, Juvenile Detention Center.

Further discussion of funding of developmental disabilities took place, with tentative consensus for a reduction of \$334,000.

Doug Ahlberg, Emergency Management Director, appeared to discuss his budget. In response to a question from the Board, Ahlberg estimated the cost of a mobile command post (trailer) at \$53,000 to \$59,000 and a truck to pull it at \$30,000.

Brief discussion took place regarding the replacement schedule for warning sirens.

Board consensus was to make no further cuts to the Emergency Management budget.

MOTION: Schorr moved and Stevens seconded to adjourn the meeting at 4:27 p.m. Schorr and Stevens voted aye. Workman, Heier and Hudkins voted no. Motion failed.

Hudkins exited the meeting 4:20 p.m.

Gary Chalupa, Veterans Service Officer, appeared to discuss the General Assistance (GA) budget. **NOTE:** Chalupa recently assumed oversight of the GA Program. The Board requested a reduction of \$100,000. Chalupa agreed to make the reduction, but said he may need to come back to the Board if cases and pharmacy costs exceed the budget.

The Board discussed revising the guidelines for eligibility, with a request for review and recommendation from the GA Monitoring Committee.

Hudkins returned to the meeting at 4:49 p.m.

MOTION: Workman moved and Hudkins seconded to set the target amount at \$3 million, with a reduction of \$179,000.

Brief discussion took place and the maker of the motion and the seconder withdrew their motion.

Board consensus was to reduce the General Assistance (GA) budget by \$179,000.

The Chair exited the meeting at 5:12 p.m. and the Vice Chair assumed direction of the meeting.

Dean Settle, Community Mental Health Center Director, reappeared and was asked for a budget reduction of \$100,000 to \$200,000.

Settle agreed to a reduction of \$100,000, but said a reduction of \$200,000 would be difficult and would cause discontinuation of some services.

5 ADJOURNMENT

MOTION: Schorr moved and Workman seconded to adjourn the meeting at 5:16 p.m. Schorr, Workman, Heier and Hudkins voted aye. Stevens was absent from voting. Motion carried.

Bruce Medcalf
Lancaster County Clerk